

Environmental and Public Protection

Labor

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Recommended FY 2007	Recommended FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,349,100	2,980,900	3,139,100	2,453,400	2,456,800
Salary Compensation Fund	271,700				
Base Deduction	-18,600				
Total General Fund	2,602,200	2,980,900	3,139,100	2,453,400	2,456,800
Restricted Funds					
Balance Forward	9,244,600	4,000,000	4,000,000	6,465,300	7,097,800
Current Receipts	2,300,000	2,000,000	1,900,000	2,000,000	1,900,000
Non-Revenue Receipts	117,390,700	116,866,900	117,584,200	115,618,700	113,043,400
Total Restricted Funds	128,935,300	122,866,900	123,484,200	124,084,000	122,041,200
Federal Funds					
Balance Forward	55,900			60,400	23,300
Current Receipts	3,574,200	3,703,700	3,703,700	3,703,700	3,703,700
Non-Revenue Receipts	-397,000	-397,000	-397,000	-397,000	-397,000
Total Federal Funds	3,233,100	3,306,700	3,306,700	3,367,100	3,330,000
TOTAL SOURCE OF FUNDS	134,770,600	129,154,500	129,930,000	129,904,500	127,828,000
EXPENDITURES BY CLASS					
Personnel Cost	22,115,400	26,301,800	27,840,600	23,456,500	23,997,200
Operating Expenses	5,595,300	5,608,700	6,059,900	6,106,900	7,380,200
Grants, Loans or Benefits	100,216,000	92,921,000	91,921,000	92,921,000	91,921,000
Capital Outlay	318,200	323,000	108,500	299,000	142,500
TOTAL EXPENDITURES	128,244,900	125,154,500	125,930,000	122,783,400	123,440,900
EXPENDITURES BY FUND SOURCE					
General Fund	2,602,200	2,980,900	3,139,100	2,453,400	2,456,800
Restricted Funds	122,470,000	118,866,900	119,484,200	116,986,200	117,654,300
Federal Funds	3,172,700	3,306,700	3,306,700	3,343,800	3,329,800
TOTAL EXPENDITURES	128,244,900	125,154,500	125,930,000	122,783,400	123,440,900
EXPENDITURES BY UNIT					
Commissioner's Office & Administrative Services	3,733,200	4,176,900	4,371,700	3,875,500	4,016,500
Workplace Standards	104,416,000	97,763,100	97,017,400	97,668,700	96,898,100
Occupational Safety and Health	8,048,300	9,076,500	9,575,200	8,386,500	9,128,800
Workers' Claims	12,047,400	14,138,000	14,965,700	12,852,700	13,397,500
TOTAL EXPENDITURES	128,244,900	125,154,500	125,930,000	122,783,400	123,440,900

The Department of Labor, pursuant to KRS 336.015, consists of the Office of the Commissioner, the Office of Labor Management Relations and Mediation, the Office of Workplace Standards, and the Division of Administrative Services.

Attached administratively to the Department of Labor are the Kentucky Labor Management Council, the Kentucky Employees Insurance Association, the State Labor Relations Board, the Workers' Compensation Funding Commission, the Workers' Compensation Advisory Council, the Occupational Safety and Health Standards Board, the Prevailing Wage Review Board, the Apprenticeship and Training Council, the Employees Mutual Insurance Authority, the Workers Compensation Nominating Commission, and the Office of Workers Claims. The Kentucky Occupational Safety and Health Review Commission is an independent agency administered by an executive director.

Environmental and Public Protection
Labor
Commissioner's Office & Administrative Services

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Recommended FY 2007	Recommended FY 2008
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	343,100			508,500	333,000
Non-Revenue Receipts	3,898,600	4,176,900	4,371,700	3,700,000	3,700,000
Total Restricted Funds	4,241,700	4,176,900	4,371,700	4,208,500	4,033,000
TOTAL SOURCE OF FUNDS	4,241,700	4,176,900	4,371,700	4,208,500	4,033,000
EXPENDITURES BY CLASS					
Personnel Cost	2,917,700	3,424,700	3,610,400	3,065,700	3,157,600
Operating Expenses	710,300	652,200	761,300	704,800	853,900
Capital Outlay	105,200	100,000		105,000	5,000
TOTAL EXPENDITURES	3,733,200	4,176,900	4,371,700	3,875,500	4,016,500
EXPENDITURES BY FUND SOURCE					
Restricted Funds	3,733,200	4,176,900	4,371,700	3,875,500	4,016,500
TOTAL EXPENDITURES	3,733,200	4,176,900	4,371,700	3,875,500	4,016,500

The organizational units under the direction of the Commissioner include the Office of Workplace Standards, the Office of Occupational Safety and Health, the Office of Labor Management Relations and Mediation, and the Division of Administrative Services. The Commissioner of Labor also oversees administrative duties of the Office of Workers Claims, with the Executive Director of the Office of Workers Claims being responsible for the daily programmatic activities.

Environmental and Public Protection

Labor

Workplace Standards

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Recommended FY 2007	Recommended FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,349,100	2,980,900	3,139,100	2,453,400	2,456,800
Salary Compensation Fund	271,700				
Base Deduction	-18,600				
Total General Fund	2,602,200	2,980,900	3,139,100	2,453,400	2,456,800
Restricted Funds					
Balance Forward	6,789,500	4,000,000	4,000,000	4,730,100	4,574,500
Current Receipts	2,300,000	2,000,000	1,900,000	2,000,000	1,900,000
Non-Revenue Receipts	97,454,400	92,782,200	91,978,300	93,059,700	91,985,700
Total Restricted Funds	106,543,900	98,782,200	97,878,300	99,789,800	98,460,200
TOTAL SOURCE OF FUNDS	109,146,100	101,763,100	101,017,400	102,243,200	100,917,000
EXPENDITURES BY CLASS					
Personnel Cost	3,587,100	4,299,400	4,548,300	4,150,600	4,274,900
Operating Expenses	828,900	758,700	764,100	813,100	918,200
Grants, Loans or Benefits	100,000,000	92,705,000	91,705,000	92,705,000	91,705,000
TOTAL EXPENDITURES	104,416,000	97,763,100	97,017,400	97,668,700	96,898,100
EXPENDITURES BY FUND SOURCE					
General Fund	2,602,200	2,980,900	3,139,100	2,453,400	2,456,800
Restricted Funds	101,813,800	94,782,200	93,878,300	95,215,300	94,441,300
TOTAL EXPENDITURES	104,416,000	97,763,100	97,017,400	97,668,700	96,898,100

The Office of Workplace Standards enforces all statutes set forth in KRS Chapters 336, 337, 339, 345, 207, and 342. The Office of Workplace Standards consists of the Division of Employment Standards, Apprenticeship and Training, and the Division of Workers' Compensation Funds.

Environmental and Public Protection

Labor

Occupational Safety and Health

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Recommended FY 2007	Recommended FY 2008
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	618,900			653,200	1,041,400
Non-Revenue Receipts	4,909,900	5,769,800	6,268,500	5,430,900	5,107,700
Total Restricted Funds	5,528,800	5,769,800	6,268,500	6,084,100	6,149,100
Federal Funds					
Balance Forward	55,900			60,400	23,300
Current Receipts	3,574,200	3,703,700	3,703,700	3,703,700	3,703,700
Non-Revenue Receipts	-397,000	-397,000	-397,000	-397,000	-397,000
Total Federal Funds	3,233,100	3,306,700	3,306,700	3,367,100	3,330,000
TOTAL SOURCE OF FUNDS	8,761,900	9,076,500	9,575,200	9,451,200	9,479,100
EXPENDITURES BY CLASS					
Personnel Cost	5,875,300	6,864,700	7,262,400	6,104,000	6,204,900
Operating Expenses	1,839,000	1,809,800	1,988,300	1,909,500	2,570,400
Grants, Loans or Benefits	216,000	216,000	216,000	216,000	216,000
Capital Outlay	118,000	186,000	108,500	157,000	137,500
TOTAL EXPENDITURES	8,048,300	9,076,500	9,575,200	8,386,500	9,128,800
EXPENDITURES BY FUND SOURCE					
Restricted Funds	4,875,600	5,769,800	6,268,500	5,042,700	5,799,000
Federal Funds	3,172,700	3,306,700	3,306,700	3,343,800	3,329,800
TOTAL EXPENDITURES	8,048,300	9,076,500	9,575,200	8,386,500	9,128,800
EXPENDITURES BY UNIT					
OSH Executive Director	233,200	248,700	259,200	237,700	233,000
Compliance	3,997,300	4,467,100	4,755,700	4,108,400	4,330,700
Education and Training	3,817,800	4,360,700	4,560,300	4,040,400	4,565,100
TOTAL EXPENDITURES	8,048,300	9,076,500	9,575,200	8,386,500	9,128,800

The Office of Occupational Safety and Health oversees the provisions set forth in KRS Chapter 338. The Office of Occupational Safety and Health consists of the Office of Executive Director, the Division of Compliance, and the Division of Education and Training.

Environmental and Public Protection

Labor

Workers' Claims

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Recommended FY 2007	Recommended FY 2008
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	1,493,100			573,500	1,148,900
Non-Revenue Receipts	11,127,800	14,138,000	14,965,700	13,428,100	12,250,000
Total Restricted Funds	12,620,900	14,138,000	14,965,700	14,001,600	13,398,900
TOTAL SOURCE OF FUNDS	12,620,900	14,138,000	14,965,700	14,001,600	13,398,900
EXPENDITURES BY CLASS					
Personnel Cost	9,735,300	11,713,000	12,419,500	10,136,200	10,359,800
Operating Expenses	2,217,100	2,388,000	2,546,200	2,679,500	3,037,700
Capital Outlay	95,000	37,000		37,000	
TOTAL EXPENDITURES	12,047,400	14,138,000	14,965,700	12,852,700	13,397,500
EXPENDITURES BY FUND SOURCE					
Restricted Funds	12,047,400	14,138,000	14,965,700	12,852,700	13,397,500
TOTAL EXPENDITURES	12,047,400	14,138,000	14,965,700	12,852,700	13,397,500

The Office of Workers' Claims has the overall authority and oversight responsibility for the operation of Kentucky's Workers' Compensation System as set forth under KRS Chapter 342.

The Commonwealth of Kentucky adopted a Workers' Compensation Act in 1916 under which employees were granted replacement income and medical services for disability arising from on-the-job accidents. In exchange, employers were afforded immunity from common lawsuits.

Since then, Kentucky's Workers' Compensation Program has undergone incremental changes generally marked by expansion of coverage to include additional work-related conditions (i.e., occupational diseases) and increases in the amount of benefits granted workers. Reforms were adopted during the 1994 Regular Session of the General Assembly with the passage of House Bill 928. Before 1994, the main function of the department was to adjudicate disputes between employers and employees about entitlement to benefits. As a result of the 1994 statutory changes, the means of delivering industrial health care was altered, and efforts began to limit the expansion of benefits and the administrative and adjudicative arms of the program were strengthened.

House Bill 1, passed by the 1996 Extraordinary Session of the General Assembly, significantly expanded the reform of the workers' compensation program. Adopted on December 12, 1996, this legislation emphasized administrative resolution of benefit disputes rather than adjudicative claims processing. The law also represented a marked shift toward more fiscal responsibility in the workers' compensation program and was intended to roll back the estimated cost of \$1 billion paid each year by the Commonwealth's employers to sustain the program. Because of this legislation, the program has been restored to its core purpose of promptly delivering wage replacement benefits and medical services to industrially injured workers in a non-adversarial manner.

Funding for Workers' Claims is provided by the Kentucky Workers' Compensation Funding Commission's special assessments imposed upon workers' compensation premiums paid by employers and self-insureds.